

## Issue Brief

# CALIFORNIA'S FOOD STAMP PROGRAM PARTICIPATION RATE: TRENDS, IMPLICATIONS AND SUGGESTED ACTIONS

February, 2006

National poverty rates and food stamp participation have been on the rise since 2000. The stark poverty exposed by hurricane Katrina and subsequent heavy demand for food stamps in hurricane-stricken states underscore the importance of federal nutrition assistance programs. From 2000 to 2003, the percentage of potentially eligible people receiving food stamp benefits in California has fallen despite relatively high and increasing food insecurity.

According to USDA's most recent figures, California's 2002 and 2003 participation rates<sup>1</sup> were significantly lower than half of the other states with the 2003 estimate ranked among the lowest performing states in the nation.<sup>1</sup> This issue brief examines recent trends, their implications and three areas of possible action: 1) design or systems simplifications, 2) FSP outreach and promotion, and 3) better coordination among federally funded nutrition programs.

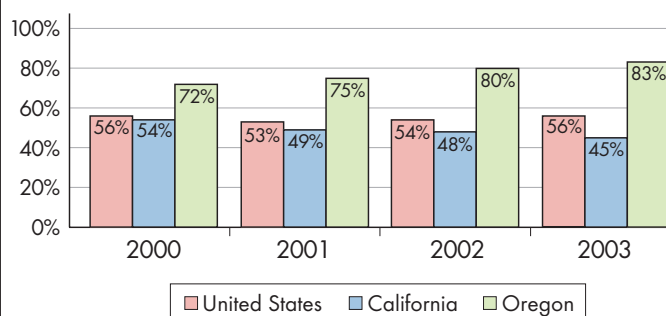
## THE PROBLEM—LOW FOOD STAMP PARTICIPATION AND FOOD INSECURITY IN CALIFORNIA

USDA statistics show an alarming drop in California's Food Stamp Program (FSP) participation rates between 2000 and 2003<sup>2</sup>, compared to relatively steady national rates and the 11 percentage point increase in Oregon, 2003's highest performing state (Figure 1).<sup>3</sup> Based on the most recent available rates, in California **over 2 million people who are eligible for food stamp benefits not receiving this federal entitlement (Figure 2).**

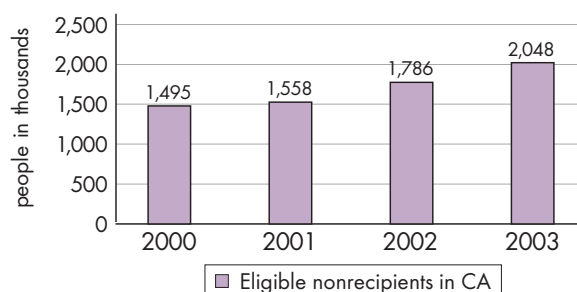
The drop in California's participation rate is of particular concern since several sources corroborate that food insecurity—the uncertain or limited access to enough food for an active, healthy life—is high and increasing in California.

- According to the 2000 California Women's Health Survey, 22 percent—more than one in five California women—did not always have access to enough food to meet basic needs.<sup>4</sup>
- An annual USDA survey reported that food insecurity in California households rose from 11.8 percent (1999-2001) to 12.4 percent (2002-2004), while food insecurity with hunger increased from 3.3 to 3.9 percent, a significant change.<sup>5</sup>
- The California Health Interview Survey (CHIS) found that food insecurity among low-income adults increased significantly, from 29.1 percent in 2001 to 33.9 percent in 2003; more than 2.9 million California low-income adults were food insecure in 2003.<sup>6</sup>

**Figure 1: Percent of Eligible People Participating in the Food Stamp Program (FSP) 2000-2003**



**Figure 2: Estimated Number (in thousands) of Eligible People Not Receiving Food Stamps in California—2000-2003**



## WHY LOW PARTICIPATION IS A HEALTH CONCERN: NUTRITION AND PUBLIC HEALTH

Currently, 16 distinct food and nutrition programs comprise the federal nutrition “safety net” and share the “main goal of ensuring the health of vulnerable Americans by providing access to a nutritionally adequate diet.”<sup>7</sup> The Food Stamp Program is the centerpiece of America’s nutrition safety net with almost four times the federal funding of the National School Lunch Program, the next largest nutrition assistance program.<sup>8</sup>

Obesity and diabetes continue to increase at what many call “epidemic” rates, and racial/ethnic disparities are a public health concern. Between 1990 and 2002, obesity nearly doubled in the United States, from 11.6 percent to 22.1 percent; in California during the same period, the increase was from 9.8 percent to 19.2 percent among, the worst of any state.<sup>9</sup> In 2005, nearly 21 million Americans were reported to have diabetes, with 1.5 million new cases projected for 2005.<sup>10</sup> FSP is a key route to healthier eating that reduces risk of these and other chronic diseases by enabling people to buy **enough food** and enough **good quality food** for an active, healthy life.

A 2005 UCLA health policy research brief highlights the relationship between food insecurity and health.<sup>5</sup> The authors point to the clear association between food insecurity and poor-quality diets leading to poor nutritional status. In addition to nutrition impacts, a broad array of social and health effects result. Children living in food-insecure households tend to: (1) do less well in school, with more absences and tardiness and poorer cognitive functioning; (2) have more health problems—such as headaches, colds and ear infections; and (3) have increased risk of emotional problems, with adolescents being more likely to have depressive and suicidal symptoms. For adults, food insecurity is associated with poorer health, and several studies with women show positive associations with overweight and obesity.<sup>11</sup> For those with diabetes, living in a food-insecure household increases the risk of complications and the use of medical care.<sup>12</sup>

## ECONOMIC IMPLICATIONS FOR CALIFORNIA

In addition to the nutrition and health impacts, the drop in California’s food stamp participation rate has economic implications. Less food is available for low-income families, fewer federal dollars are spent in communities and benefits to the California economy are lost.

- **Federal dollars:** For California to match the food stamp participation rate of 2003’s best performing state, Oregon at 83 percent, an additional 1.41 million eligible people would be brought into the FSP. Because benefits are 100 percent federally funded, this would bring approximately **\$1.5 billion additional federal dollars** into the state annually based on the FFY04 average monthly benefit of \$89 per person.
- **Local economic activity:** USDA estimates that each food stamp dollar stimulates \$1.84 in new local economic activity. As a result, \$1.5 billion in additional federal food stamp dollars would create approximately **\$2.76 billion in local economic activity**.
- **General Fund revenue:** Analysis of California’s 2004-05 Budget Bill concluded that increased food stamp participation has a **beneficial impact on the state budget**.<sup>13</sup> Eighty-three percent participation would add **approximately \$33.7 million in sales tax to the General Fund**.
- **Health costs:** Most importantly, food stamps are needed to help prevent nutrition-related problems in families, the most visible being obesity. In 2005, the **cost of obesity in California was projected to have reached \$8.4 billion in health care and lost productivity at work**.<sup>14</sup> In the Medi-Cal Program that provides health care to many food stamp-eligible people, estimates are that 10 percent of all costs are attributable to obesity, which would amount to \$1.7 billion in 2000.<sup>15</sup>

Compromised health associated with food insecurity and obesity carries very real human, economic and societal costs. The situation for low-income Californians is deteriorating. The need for action is urgent.

## UNDERSTANDING THE PROBLEM

Understanding why eligible people do not participate in the Food Stamp Program is critical for follow-up action. People eligible for food stamps are not a homogenous group; a barrier's relative importance will depend on individual circumstances and/or characteristics. National studies show participation rates are especially low among those eligible who are elderly, living above the poverty line, non citizens, citizen children living with non citizens and/or working families.<sup>16</sup> In general, participation rates are linked to the size of the benefit for most groups; however, a sizable proportion of eligible non participants would qualify for substantial benefit amounts.<sup>17</sup>

In California, research with potential participants in Fresno, Los Angeles and San Diego identified the following significant barriers<sup>18</sup>:

### Lack of information or misinformation about the FSP

- Lack of knowledge about who qualifies for the program
- (Spanish-dominant Latinos) Fear of losing future earnings due to having to pay back the equivalent of the assistance they received through the program
- (Spanish-dominant Latinos) Fear that applying for the program will affect their immigration status

### Excessive Food Stamp Program requirements

- The nature and amount of information required of applicants
- Frustration with the application process, the amount and nature of documentation sought and because of the perceived demand for continuous reporting

### Negative stigma

- Negative program stigma demonstrated through poor service in grocery stores, rude treatment by program staff, and a tendency to perceive those on food stamps as lazy

Similarly, community outreach workers most frequently mentioned the following reasons for why eligible people do not receive food stamps<sup>19</sup>: 1) difficulty getting to food stamp offices/transport/face-to-face interview requirement; 2) too much hassle—too many calls, office visits, reporting/too many documents/have to take time off from work to apply; 3) people think they are not eligible/misconceptions about eligibility; 4) fear food stamps will hurt immigration chances/public charge issue and 5) fear of finger-imaging requirements. Other issues such as stigma associated with the program, fear of government and language barriers were mentioned but less often.

A national survey found most (69 percent) food stamp-eligible non participants would apply for food stamp benefits if they knew they were eligible, while 27 percent would not.<sup>20</sup> The great majority (91 percent) of these latter households cited reasons related to personal independence such as “do not like to rely on government assistance” while 61 percent mentioned aspects of the food stamp application, process or requirements as an impediment to applying. Cited less often were issues of stigma, low expected benefits and previous negative experience with the FSP.

## CALIFORNIA—MOVING IN THE RIGHT DIRECTION

Given the complexity of determining the total number of eligible people, USDA publishes the FSP participation rates several years after the fact.<sup>21</sup> Counts of the number of food stamp participants provide insight into more recent trends (Table 1). From August 2003 to August 2005, almost a quarter-million more persons in California participated in the FSP.<sup>22</sup> Nationally, the number of food stamp participants increased considerably since 2000. According to the Food Research and Action Center, reasons for nationwide increases include: rising unemployment levels; better rules in many states, such as no longer treating vehicles as a resource barring eligibility; improvement in the application procedure in some states and other increased outreach efforts.<sup>23</sup> In addition, as a result of the 2002 Farm Bill, many legal immigrants became eligible for benefits in 2003.

### Food Stamp Program Changes in California

In California, a number of options made possible by federal changes such as the 2002 Farm Bill and the 1999 Hunger Relief Act were implemented starting in 2004 and therefore were not reflected in 2003 USDA participation-rate figures. Since 2003, some important improvements adopted in California include removing the vehicle rule; offering Transitional Food Stamps; potential for reducing the face-to-face interview requirement and offering benefits to certain rehabilitated drug offenders. Some changes, such as removing the vehicle rule, increased the number of eligible people, so higher participant figures might not mean a higher participation rate. Other federally

allowable changes which might improve FSP utilization have not been adopted by California, while changes such as the Farm Bill 2002's reducing the residency requirement for legal immigrants had little effect since the California Food Stamp Program already provided benefits to these immigrants. The participation increases needed to reach USDA's national target of 68 percent participation have not yet occurred in California or the nation.

### Food Stamp Program Outreach and Promotion

Through an Interagency Agreement with the California Department of Social Services, the *California Nutrition Network for Healthy, Active Families* (the Network) oversees the statewide plan known as the California Food Stamp Program Access and Improvement Plan (FSAIP). Recently approved for its third year of operation, FSAIP triggers a dollar-for-dollar federal match separate from, but complementary to, the efforts of the Network's much larger funding mechanism via USDA's – Food Stamp Nutrition Education (FSNE).

The principal contractor for FSAIP implementation is the California Association of Food Banks (CAFB). Currently, CAFB has 20 subcontracting food banks and community-based organizations operating in 19 counties. These contractors increase FSP participation through a variety of strategies: 1) distribution of FSP promotional information at food banks and a tremendous range of other community sites; 2) pre-screening potential applicants; 3) application assistance and follow-up; 4) media and public education; 5) training other community-based organizations and 6) convening county wide task forces and committees focused on increased FSP utilization.

Table 1: Food Stamp Participation – number of persons<sup>24</sup>

	July 2000	Aug 2001	Aug 2002	Aug 2003	Aug 2004	Aug 2005
U.S.	16,878,369	17,774,675	19,690,870	22,345,467	24,612,845	25,765,739
<b>California</b>	<b>1,756,434</b>	<b>1,653,658</b>	<b>1,695,868</b>	<b>1,766,677</b>	<b>1,957,204</b>	<b>1,998,974</b>

### **California Nutrition Network for Healthy, Active Families**

With USDA matching funds through FSNE, the *Network* contracts with over 180 regional and local projects to promote fruits and vegetables, physical activity and food security among low-income families in California. Demonstrating considerable growth since its inception in 1996, the *Network* represents a tremendous infrastructure of organizations—low-resource school districts, local health departments, faith organizations, food banks and other community-based groups — committed to improving the nutrition and health of FSP recipients and people who are potentially eligible. All contractors are expected to incorporate a brief FSP promotional message into their regular nutrition education activities. As part of the statewide media campaign, a toll-free phone number for FSP information is broadcast in radio, television and print media. Unfortunately, FSNE funds may not be used to actively promote and conduct outreach for the FSP, the National School Lunch Program, the School Breakfast Program and other FNS programs.<sup>25</sup>

## **OPTIONS FOR ACCELERATING THE PROGRESS**

Three overall areas of action are suggested for increasing FSP utilization in California:

### **Food Stamp Program (FSP) simplification**

The eligibility and benefit-determination process needs further simplification to reduce complexity that acts as a barrier to participation.<sup>26</sup> FSP administrative procedures can be streamlined and improved in many areas.<sup>27</sup> Continuing efforts to make the application and reporting process less onerous as well as improve customer service would likely increase clients' satisfaction and use of the FSP.

### **Food Stamp Program (FSP) outreach and promotion**

Expanding and deepening FSP outreach and promotion efforts would also likely increase participation rates, especially if efforts are

specifically designed to address the misconceptions/concerns of under-represented groups.

In a related change, a specific CDSS recommendation for the upcoming Food Stamp reauthorization is to increase the minimum allotment to at least \$25 for all households since the minimum benefit amount is seen as a major factor in low program participation, especially for working households, the elderly and disabled.<sup>25</sup> Increasing minimum benefits would also more adequately provide for the generally higher cost of healthy, under-consumed foods, especially fresh fruit and vegetables, whole grain products, low-fat milk products and lean animal protein foods.

### **Better coordination among and utilization of other federally funded nutrition programs**

Change policies that discourage cost-effective and reinforcing coordination of federal nutrition programs. For example, remove the artificial firewall between Food Stamp Outreach and FSNE to allow the *Network* contractors to more actively and effectively promote Food Stamp participation as they work with potentially eligible people. Similarly, allow the use of FSNE funds for the active promotion of all federal nutrition programs such as School Breakfast, School Lunch and Summer Lunch programs since each of these contributes to low-income families' ability to eat enough food and enough good quality food for active, healthy lives.

## **RESOURCES AND COUNTY-LEVEL INFORMATION**

### ***County Food Stamp Program participation figures***

The most recent figures for the number of households and individuals in each county receiving food stamp benefits are posted on the Department of Social Services Web site. [www.dss.cahwnet.gov/research/DFA256-Foo\\_422.htm](http://www.dss.cahwnet.gov/research/DFA256-Foo_422.htm)

### ***Network's Geographical Information System (GIS)***

The Geographic Information System (GIS) is an interactive, Internet-based mapping application that allows users to view mapped nutrition data at many

geographic levels. The application displays a rich set of nutrition and other health-related data, including the number and percentage of food stamp recipients by census tract and the food stamp office locations. [www.cnngis.org/](http://www.cnngis.org/)

### *County food insecurity and federal nutrition program participation*

The California Food Policy Advocates (CFPA) recently released “Touched by Hunger,” a county-by-county report on hunger and food insecurity ([www.cfpa.net/Touched2005.pdf](http://www.cfpa.net/Touched2005.pdf)) and updated 2005 County Nutrition Profiles ([www.cfpa.net/2005CountyProfile.pdf](http://www.cfpa.net/2005CountyProfile.pdf)) which provide nutrition status of county residents as well as eligibility and participation for key nutrition support programs. CFPA will release Program Access Index (PAI) measures for each county. This poverty-based measure—the ratio of food stamp participants to the number of people with income below poverty—is used by USDA to award states performance bonuses.

### *Food stamp outreach information and technical assistance:*

For organizations able to conduct FSP outreach, the California Association of Food Banks’ (CAFB) Web site ([www.cafoodbanks.org/outreach.htm](http://www.cafoodbanks.org/outreach.htm)) has outreach tools in various languages. Early in 2006, CAFB will be posting survey results based on interviews with food bank clients in several California counties. Interested persons can contact CAFB’s Food Stamp Outreach Coordinator Jessica Bartholow [jessica@cafoodbanks.org](mailto:jessica@cafoodbanks.org) to learn more about the outreach project and opportunities for collaboration.

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